

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION INTO THE BILLING)	ADMINISTRATIVE
PRACTICES FOR FOREIGN EXCHANGE SERVICE)	CASE NO. 335

O R D E R

On May 21, 1990, the Commission issued an Order establishing this investigation into the billing practices for interLATA foreign exchange services. All local exchange carriers and AT&T Communications of the South Central States, Inc. ("AT&T") were required to file information and comments describing these billing practices, and all responses have been received. Several of the local exchange carriers have had no customers subscribing to interLATA foreign exchange services; therefore, the Commission finds that these carriers may be excused from further participation in this proceeding and that their names should be removed from the service list to ease the administrative burdens on the remaining parties. These carriers are: Alltel Kentucky, Inc.; Brandenburg Telephone Company, Inc.; Foothills Rural Telephone Cooperative Corporation, Inc.; Harold Telephone Company, Inc.; Leslie County Telephone Company, Inc.; Lewisport Telephone Company; Logan Telephone Cooperative, Inc.; Mountain Rural Telephone Cooperative Corporation, Inc.; North Central Telephone Cooperative, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; Salem Telephone Company; Thacker-Grigsby Telephone Company, Inc.; and West Kentucky Rural Telephone

Cooperative Corporation, Inc. Any of these carriers wishing to remain a party to this proceeding shall so notify the Commission within 20 days of the date of this Order.

The responses show serious inconsistencies in the way in which local access services associated with interLATA foreign exchange service have been billed. Some carriers have billed end-users either a single-party local business rate ("B1") or Feature Group A usage charges. One carrier billed either the end-user or the interLATA carrier, at the interLATA carrier's option, for Feature Group A usage. Other carriers have billed end-users a B1 rate in addition to billing AT&T for Feature Group A usage. And finally, some carriers have not billed end-users any charges for local access, but have instead billed AT&T for Feature Group A usage charges, consistent with the way AT&T described the application of these charges in Case No. 9703.¹ As a result of these inconsistencies, customers' rates for interLATA foreign exchange services have varied depending upon the local exchange carrier providing the open end of the service. The Commission is therefore requesting additional information.

In its response filed June 20, 1990, AT&T has requested an informal conference at which the parties could discuss an equitable disposition of this case. The Commission will consider this request after responses to the questions contained in this Order are received.

¹ Case No. 9703, AT&T Communications of the South Central States, Inc. vs. Independent Telephone Company, Inc., Transcript of Evidence, Volume I, page 71.

IT IS ORDERED that Ballard Rural Telephone Cooperative Corporation, Inc. ("Ballard"); Cincinnati Bell Telephone Company ("Cincinnati Bell"); Contel of Kentucky, Inc. ("Contel"); Duo County Telephone Cooperative Corporation, Inc. ("Duo County"); GTE South Incorporated ("GTE South"); and Highland Telephone Cooperative, Inc. ("Highland") shall file the original and 10 copies of the following information with the Commission within 20 days from the date of this Order, with a copy to all parties of record. If the information cannot be provided by this date, a motion for an extension of time must be submitted stating the reason for the delay and the date by which the information can be furnished. Such motion will be considered by the Commission.

Ballard

Ballard's response to the May 21, 1990 Order indicated that it provides intrastate, interLATA foreign exchange service only on a joint basis. As it is obvious that this service can only be provided on a joint basis, provide the information requested in the Order, i. e., information and comments describing the billing practices for access services associated with the open end of interLATA foreign exchange service since January 1984 to the present, a detailed explanation of any changes that have occurred in this period, and if applicable, a proposed customer refund plan. If Ballard has not billed any customers for the open end of interLATA foreign exchange service since January 1984 to the present, it is sufficient to so state. The "open end" is usually billed as either Feature Group A or B1 charges, either to the end-user or an interLATA carrier.

Cincinnati Bell

1. Cincinnati Bell's response to the May 21, 1990 Order indicates that Feature Group A access associated with interLATA foreign exchange service is almost always ordered by the interexchange carrier on behalf of the end-user and that as a result, the carrier has the option of specifying that the bill be assessed directly to the end-user. Are there other instances associated with interexchange carrier services where the carrier has the option of specifying that switched access charges be assessed directly to the end-user? If so, provide a complete list of these services and identify the interexchange carriers providing these services. For example, many carriers provide message telecommunications services using Cincinnati Bell's switched access services. Do carriers have the option of specifying that these access bills be sent to end-users?

2. Provide a listing of end-users who have been billed for access associated with the open end of Kentucky intrastate, interLATA foreign exchange services from January 1984 to June 1, 1990; the amount of their bills broken-down by month; and identify the carrier providing the interLATA facility. Indicate the type of charges, i. e., Feature Group A charges, B1 charges, or some other type of charge.

Contel

Has Contel ever billed end-users a B1 charge for the open end of interLATA foreign exchange services? If so:

1. Explain why charging both AT&T a Feature Group A charge and the end-user a B1 rate should not be considered

double-charging for local access services associated with the open end of interLATA foreign exchange services.

2. Provide a monthly break-down quantifying the amount of B1 charges assessed to all customers for the open end of interLATA foreign exchange services from January 1984 or the dates of installation, whichever is later, through the present.

Duo County

1. Duo County's response to the May 21, 1990 Order indicates that its customer was assessed a B1 rate through December 31, 1989, and that after this date, AT&T directed Duo County to shift the billing to the end-user for Feature Group A usage charges. Prior to December 31, 1989, was AT&T assessed Feature Group A usage charges associated with this foreign exchange service? If so, explain why this should not be considered double-charging for local access services associated with the open end of the service.

2. Provide a monthly break-down quantifying the amount of B1 charges assessed to the end-user for the open end of interLATA foreign exchange service from January 1984 or the dates of installation, whichever is later, through December 31, 1989.

GTE South

1. GTE's response to the May 21, 1990 Order indicates from January 1984 to December 1989, AT&T was assessed Feature Group A usage charges for local access services associated with the open end of interLATA foreign exchange service and end-users were assessed a B1 rate; after January 1990, the B1 rate was discontinued and end-users, rather than AT&T, were assessed the

Feature Group A rate. Explain why charging both B1 and Feature Group A rates should not be considered double-charging for local access services associated with the open end of the service.

2. Provide a monthly break-down quantifying the amount of B1 charges assessed to end-users for the open end of interLATA foreign exchange service from January 1984 or the dates of installation, whichever is later, through December 31, 1989.

3. Provide a monthly break-down quantifying the amount of Feature Group A charges assessed to end-users for the open end of interLATA foreign exchange service from January 1990 through June 1990.

Highland

1. Highland's response to the May 21, 1990 Order indicates that it provides end-user billing and collection for interLATA foreign exchange service to only one customer and that the customer is assessed a B1 rate only. Has AT&T also been assessed Feature Group A charges associated with this service? If so, explain why this should not be considered double-charging for local access services associated with the open end of the service.

2. Provide a monthly break-down quantifying the amount of B1 charges assessed to the end-user from January 1984 or the date(s) of installation, whichever is later, through June 1990.

South Central Bell

Prior to June 1, 1990, has South Central Bell assessed end-users any rate for services associated with the open end of interLATA foreign exchange service? If so, provide a monthly break-down quantifying the amount of charges assessed to end-users

from January 1984 or the date(s) of installation, whichever is later, through June 1990.

South Central Rural

1. South Central Rural's response to the May 21, 1990 Order indicates that end-users were assessed a B1 rate until December 1989. Explain why charging both AT&T a Feature Group A charge and the end-user a B1 rate should not be considered double-charging for local access services associated with the open end of interLATA foreign exchange services.

2. Provide a monthly break-down quantifying the amount of B1 charges assessed to the end-user for the open end of interLATA foreign exchange service from January 1984 or the dates of installation, whichever is later, through December 31, 1989.

IT IS FURTHER ORDER that this investigation be expanded to include all billing practices in the provisioning of interLATA foreign exchange service and to consider whether carriers should be required to show cause why they should not be fined pursuant to KRS 278.990 and to provide refunds relative to unauthorized practices.

Done at Frankfort, Kentucky, this 14th day of August, 1990.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director